



# THE FUTURE OF THE ACCOUNTANCY PROFESSION

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## INTRODUCTION

The accounting/auditing profession will face some significant changes in the next three decades and businesses, the Corporate world and professional organizations, their members and educational institutions should be prepared to respond accordingly. The accounting/auditing profession is evolving rapidly. Accountants/Auditors today have expertise, knowledge and resources that Accountants just barely fifteen to twenty years ago never had. With technology and software solutions changing at an incredible pace, the future of accounting/auditing may be very different from the reality we see today.

## THE SIGNIFICANT CHANGES FROM AN ACCOUNTING PERSPECTIVE:

### ✓ SMART AND DIGITAL TECHNOLOGIES

The cloud offers the accounting industry a new way of doing business, such that all application functions are performed off-site and businesses are no longer responsible for installing and updating their software. This offers Accountants some advantages:

- Financial reporting can now be done in real time. That is, the requests and demands of clients can be attended to immediately.
- This has also led to increased collaboration between Accountants and their clients .Files can be shared, accessed ,edited from anywhere and at anytime . Also, files can be updated and viewed on a real time basis.

### ✓ GLOBALISATION

- This has created opportunities as well as challenges for Accountants. While globalization encourages the free flow of funds around the world, enhanced overseas outsourcing activities and the transfer of technical and professional skills, will simultaneously continue to pose threats to resolving local problems (with different cultural, financial, and tax systems).

## THE SIGNIFICANT CHANGES FROM AN ACCOUNTING PERSPECTIVE(continued):

### ✓ REGULATIONS

- These have far reaching effects on accounting practitioners ,and have the capability of uniting countries. For instance , introduction of IFRS which is now being practiced in more than 100 countries and also a lack of administration of same might cause friction - the EU audit reform adopted in 2014 starting on or after 17 June 2016.

### ✓ DATA ANALYTICS

- This is the science of examining raw data with the purpose of drawing conclusions about that information now and also involves the use of advanced excel to summarise and analyse accounting information .It has the following benefits: Testing complete sets of data, rather than just testing samples; aiding risk assessment through identification of anomalies and trends. It can be used in the following areas: Identifying unusual transactions ,and identifying instances where controls have been circumvented or otherwise not applied.

## ➤ THE SIGNIFICANT CHANGES FROM AN AUDITING PERSPECTIVE:

### ✓ QUALITY

- ❖ Future quality effort should be proactive, because the current effort is reactive.

### ✓ INNOVATION

- ❖ Auditors in the future would need to have special skills in data analytics and cloud and cognitive technology in order to be relevant.

### ✓ TALENTS

- ❖ This not only requires progressive firms to hire top-notch and multi-facet audit talents but also to hire professionals/talents from other fields like HR, IT, Engineers and even those in the sciences. Knowledge/Expertise in IT is becoming more and more significant.

### ✓ RELEVANCE

- ❖ Most businesses see audit as an annual routine cost which does not add value. Auditors in the future need to go extra mile in order to add value and almost provide service real time.

## IMPLICATIONS OF THESE SIGNIFICANT CHANGES:

- Accountants/Auditors in the future will need sound training in digital technology, globalization, and regulation (tax regulation, new forms of corporate reporting, integrated reporting regulation, and so on). Such training should be embedded in the curriculum of Universities and other tertiary institutions
- Accountants/Auditors in the future will need to carry out research on various opportunities and challenges facing the profession in order to remain relevant.

## CONCLUSION:

Accounting has come of age as a dynamic and forward looking profession. In this light, Accounting practitioners should be ready to move with the tide in order to remain relevant at all times.

**“It is not the strongest species that survive nor the most intelligent, but the most responsive to change.” -Charles Darwin(1809-1882)**

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